



State of Connecticut
HOUSE REPUBLICAN OFFICE
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HARTFORD, CONNECTICUT 06106-1591

Testimony in Support of House Bill 5306
Finance, Revenue, and Bonding Committee
February 27, 2023

Chairs Horn and Fonfara, Ranking Members Cheeseman and Martin, and members of the Finance, Revenue, and Bonding Committee, thank you for hearing House Bill 5306, *An Act Reducing Filing Fees for Small Businesses*.

Ever since the Business Entity Tax was adopted, Republicans have proposed multiple bills each year to eliminate the tax. Public Act 19-117 finally eliminated the tax, which was a step in the right direction and provided some hope for businesses. Unfortunately, this burden on businesses wasn't entirely removed because the same budget bill included an increase in annual filing fees for businesses. The legislature eliminated one tax on businesses, but the same time increased another tax.

HB 5306 is a House Republican Caucus proposal that seeks to reduce the business filing fee increases that were enacted by Public Act 19-117. In that bill, the filing fee that businesses must pay in order to file required annual reports with the Secretary of State was increased from \$20 to \$80-a \$60 increase for businesses.

At a time when Connecticut's employers are struggling to survive, this increase only adds an additional burden. Moreover, it disproportionately impacts small businesses which make up such a large portion of our state's economy and who are forced to survive with ever-tightening budgets. We should be enacting policies that help grow Connecticut's businesses. Reducing the business filing fees, as this bill would do, would send a positive message to Connecticut's business community undo the shell game in the 2019 budget and provide real relief for our state's employers.

We thank the committee for hearing this bill and hope you will give the full general assembly the opportunity to vote on its merits.